

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application of Frontier Communications Corporation, Frontier Communications of America, Inc. (U 5429 C) Verizon California Inc. (U 1002 C), Verizon Long Distance, LLC (U 5732 C), and Newco West Holdings LLC for Approval of Transfer of Control Over Verizon California Inc. and Related Approval of Transfer of Assets and Certifications.

Application No. 15-03-005
(Filed on March 18, 2015)

**DECISION GRANTING COMPENSATION TO THE UTILITY REFORM
NETWORK FOR SUBSTANTIAL CONTRIBUTION TO DECISION 15-12-005**

Intervenor: The Utility Reform Network	For contribution to Decision (D.) 15-12-005
Claimed: \$476,043.00	Awarded: \$470,050.60
Assigned Commissioner: Catherine J.K. Sandoval	Assigned ALJ: Karl J. Bemederfer

PART I: PROCEDURAL ISSUES

A. Brief description of Decision:	The Final Decision approves the transfer of control application filed by Verizon and Frontier and adopts several settlements and memoranda of understanding, including a multi-party Joint Settlement with TURN, the Center for Accessible Technology (CforAT), Office of Ratepayer Advocates (ORA), and Frontier Communications of America. The Joint Settlement expands the commitments Frontier made in its initial Application on issues related to broadband deployment and pricing, basic service pricing, customer service, service quality and network management among other key consumer-affecting issues. The Final Decision resolves the remaining issues not addressed by the Settlements or MOUs and imposes additional requirements on Frontier and Verizon to ensure compliance with Commission General Orders and customer commitments prior and after close of the transaction.
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B. Intervenor must satisfy intervenor compensation requirements set forth in Pub. Util. Code §§ 1801-1812:

	Intervenor	CPUC Verified
Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference (PHC):	June 10, 2015	Verified
2. Other specified date for NOI:	N/A	
3. Date NOI filed:	July 10, 2015	Verified
4. Was the NOI timely filed?		Yes
Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ ruling issued in proceeding number:	R.14-05-001	Verified
6. Date of ALJ ruling:	September 5, 2014	Verified
7. Based on another CPUC determination (specify):		
8. Has the Intervenor demonstrated customer or customer-related status?		Yes
Showing of “significant financial hardship” (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	R.14-05-001	Verified
10. Date of ALJ ruling:	September 5, 2014	Verified
11. Based on another CPUC determination (specify):		
12. Has the Intervenor demonstrated significant financial hardship?		Yes
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	D.15-12-005	Verified
14. Date of issuance of Final Order or Decision:	December 9, 2015	Verified
15. File date of compensation request:	February 8, 2016	Verified
16. Was the request for compensation timely?		Yes

PART II: SUBSTANTIAL CONTRIBUTION

A. Did the Intervenor substantially contribute to the final decision (see § 1802(i), § 1803(a), and D.98-04-059).

Intervenor’s Claimed Contribution(s)	Specific References to Intervenor’s Claimed Contribution(s)	CPUC Discussion
1. <i>Background</i> Frontier and Verizon filed a Joint Application in March 2015	<ul style="list-style-type: none"> Joint Application, A.15-03-005, March 18, 2015 TURN Protest, April 27, 2015 	Verified

<p>requesting approval for a transfer of assets pursuant to Public Utilities Code Section 854. The transaction called for a complete transfer of Verizon's incumbent local exchange operations in multiple states to Frontier, including 2.2 million customers in California and all facilities used to provide basic voice service and LifeLine.</p> <p>TURN, along with other parties, protested the Application on the grounds that it did not demonstrate sufficient public interest to satisfy the requirements of Section 854. TURN urged the Commission to further investigate issues relating to service quality, financial impacts, management capability, competition and allocation of benefits to ratepayers.</p> <p>The Assigned Commissioner and ALJ launched a detailed investigation into the public interest benefits of the transaction. They issued a comprehensive scoping memo with over 19 issues to be addressed by parties as well as scheduling a series of workshops and a corresponding set of PPHs to review the operational status and technical condition of the network and to inform the Commission on matters related to consumer and public interest benefit.</p> <p>In light of the voluminous issues included in the Scoping Memo and the expedited schedule necessary to approve a transfer of assets, ORA, TURN and Greenlining filed a Motion requesting clarification of the schedule and urging the ALJ to require the Applicants to address certain new issues in testimony and to give intervenors time to conduct</p>	<ul style="list-style-type: none"> • June ALJ Workshop Rulings (3) • Amended Scoping Memo, July 2, 2015 • Motion of ORA, TURN & Greenlining to Modify the Scoping Memo, July 21, 2015 • July 28 ALJ Ruling Granting Joint Motion to Modify Scoping Memo • Reply Testimony of Susan Baldwin, July 28, 2015 • Reply Testimony of David Brevitz, July 28, 2015 • Supplemental Testimony of Susan Baldwin, September 11, 2015 • Supplemental Testimony of David Brevitz, September 11, 2015 • TURN Motion to Compel, August 21, 2015 • Opening Brief of TURN, October 5, 2015 • Reply Brief of TURN, October 21, 2015 • Joint Motion to Approve Partial Settlement, October 30, 2015 • TURN Comments on PD, November 20, 2015 • Joint Reply Comments on PD, November 25, 2015 • Final Decision, D.15-12-005, December 9, 2015 	
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<p>discovery and file supplemental testimony. The ALJ issued a ruling finding our arguments “meritorious” and adjusted the schedule accordingly thus allowing for a fuller record on key issues.</p> <p>Additionally, parties submitted several rounds of testimony and participated in one day of hearings on service quality issues related to Verizon’s network management.</p> <p>TURN was an active participant at every step of this proceeding. TURN issued extensive data requests to both Verizon and Frontier and used the data, along with information gained from the workshops and PPHs, to submit a robust and comprehensive analysis of the consumer impacts of this transaction and proposed measures to ensure the transaction would be in the public interest. Through our expert testimony, legal analysis, and active participation in the workshops and hearings, our participation resulted in several significant contributions to the record and the resulting settlement and Final Decision. Moreover, we served a vital leadership role in a coalition of parties representing diverse consumer interests.</p> <p>After the case had been almost fully litigated, TURN, along with Center for Accessible Technology and ORA, entered into a comprehensive settlement with Frontier. As discussed below, the Final Decision reflects TURN’s substantial contribution by adopting the detailed and comprehensive Settlement among TURN and other active parties that provided additional public interest benefits on</p>		
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<p>broadband, customer service, service quality and network management issues. The Final Decision also used the record built by TURN's advocacy on the financial analysis and service quality issues to require the Applicants to take additional steps to ensure public interest benefits in this area beyond any settlements entered into by the parties. TURN urges the Commission to find that it has made a substantial contribution to the record in this case.</p>		
<p><i>2. Settlement- Broadband</i></p> <p>To satisfy the public interest elements of Section 854, the Joint Applicants relied heavily on promises to expand broadband and deploy new technologies. TURN, along with other intervenors, argued that the Application's promises were too vague to satisfy the legal standard and that the Commission should impose concrete conditions regarding Frontier's and Verizon's broadband offerings. For example, TURN provided detailed testimony regarding the need for concrete commitments on broadband facility deployment, increased speeds and service quality, and a specific proposal to establish a low income broadband program all in Frontier's newly acquired territory.</p> <p>TURN and others also argued that the Commission could not rely on Joint Applicants' promises regarding broadband investment from the Connect America Fund until the Applicants could guarantee the Commission that they would receive that funding. As the Final Decision</p>	<p>Joint Application, p. 16-18, 35</p> <p>TURN Protest, p. 14</p> <p>Amended Scoping Memo, Qs 9, 10, 14, 17, 19</p> <p>Reply Testimony of Susan Baldwin, July 28, 2015, pp. 55-105</p> <p>Supplemental Testimony of Susan Baldwin, September 11, 2015, p. 17-21, 21-42</p> <p>Supplemental Testimony of David Brevitz, September 11, 2015, p. 13-14</p> <p>TURN Opening Brief, p. 8-13, 18-39</p> <p>TURN Reply Brief, p. 2-9, 17-19, 44-51</p> <p>Joint Motion to Approve Partial Settlement, Settlement Motion, 3-4, 6-7, Exhibit 1</p> <p>Final Decision at p. 48, 51-54, O.P. 12, 13</p>	<p>Verified</p>

<p>notes, during most of the proceeding, neither Frontier nor Verizon “could assure the Commission that Frontier would receive CAF funds.” P. 52 The Assigned Commissioner also raised concerns about this uncertainty in the Scoping Memo and on the record at various workshops.</p> <p>Despite reliance on the benefits of expanded broadband in their Application, the Joint Applicants vociferously opposed TURN’s recommendations and argued that the Commission had limited jurisdiction over broadband services and that TURN’s proposals were unnecessary to meet the public interest test under the statute.</p> <p>In TURN’s settlement with Frontier, the company makes specific and measurable commitments to increased broadband deployment at specific speeds and on a specific timeline that go far beyond the commitments made in its initial Application. Additionally, the Joint Settlement commits Frontier to increased reporting requirements regarding investment in and deployment of broadband facilities.</p> <p>As part of its legal analysis, the Commission in the Final Decision also relies on the commitments made by the companies regarding broadband deployment to satisfy several the elements of the Section 854 requirements. The Commission makes a specific finding that Frontier must keep “its many commitments to ...extend broadband to previously underserved communities” p. 48 to bring benefits required under Section 854.</p>		
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<p>Moreover, the Commission relies “on various conditions and requirements set forth herein, including the various settlements and MOUs and the Joint Application, to ensure proper allocation of long-term and short term benefits to ratepayers.” P. 48</p>		
<p><i>3. Settlement- Rates</i></p> <p>TURN’s testimony included discussion regarding rates for both basic service and broadband. First, Ms. Baldwin’s testimony relied on her experience with Frontier mergers in other states as well as rate history here in California to argue that rates for Frontier’s basic service could skyrocket as a result of this transaction. Therefore, to satisfy Section 854, TURN argued that the Commission should require a cap on Frontier basic service rates for five years.</p> <p>Second, TURN provided the Commission with a detailed proposal to create a low income broadband service and ensure access to broadband services throughout Frontier territory as a way to ensure benefits from this transaction will be equitably distributed to ratepayers. TURN argued low income broadband was a critical requirement, in part because the Joint Applicants relied so heavily on the benefits of increased broadband penetration that they claimed would result from this transaction. Other intervenors such as CETF and Joint Minority Parties agreed with the importance of access to broadband by low-income customers. ORA also</p>	<p>Joint Application, p. 19</p> <p>TURN Protest, p. 14-15</p> <p>Amended Scoping Memo, Qs 2, 7, 12, 14, 15, 17, 19</p> <p>Reply Testimony of Susan Baldwin, July 28, 2015, pp. 79-89, 153-158</p> <p>Reply Testimony of David Brevitz, July 28, 2015, p. 49, 54</p> <p>Supplemental Testimony of Susan Baldwin, September 11, 2015, pp. 22, 40</p> <p>TURN Opening Brief, p. 13-17, 29-31, 40-46, 48</p> <p>TURN Reply Brief, p. 5, 14, 49-51</p> <p>Joint Motion to Approve Partial Settlement, Settlement Motion, Exhibit 1</p> <p>Final Decision, p. 48, 59, O.P. 2, 13</p>	<p>Verified</p>

<p>raised this issue but did not include proposals for either a rate cap or low-income broadband proposal in their testimony.</p> <p>In its Joint Settlement with TURN, ORA and CforAT, Frontier agreed to both a two year rate cap on basic service rates at current levels, including several ancillary services, and to offer a low income, discounted broadband service. The Final Decision acknowledges this contribution to the public interest analysis made by both the Joint Settlement and the MOU between CETF and Frontier regarding low income broadband. P 59</p>		
<p><i>4. Service Quality</i></p> <p>Issues regarding service quality were front-and-center in this case. TURN's protest and subsequent testimony looked at information gained from investigations in other dockets, numerous consumer complaints, operations in other states, and poor performance on GO 133 C service quality measurements by both Frontier and Verizon to raise concerns that the transaction may not be in the public interest. TURN protested the Joint Application, in part, based on concerns that the Joint Applicants did not commit the necessary resources to address known service quality problems and that Frontier did not properly anticipate and address potential new service quality problems that could arise as a result of the transaction itself and threaten the long-term financial health of the company.</p>	<p>Joint Application, p. 15, 29</p> <p>TURN Protest, p. 5-7, 14</p> <p>3 June ALJ Workshop Rulings</p> <p>Amended Scoping Ruling Qs 1, 2, 6, 8, 9, 14, 15, 17</p> <p>Reply Testimony of Susan Baldwin, July 28, 2015, pp. 108-137, 158-168</p> <p>Reply Testimony of David Brevitz, July 28, 2015, p. 64, 72-74</p> <p>Supplemental Testimony of Susan Baldwin, September 11, 2015, pp. 4-9, 42-52</p> <p>Supplemental Testimony of David Brevitz, September 11, 2015, p. 9, 13-14.</p> <p>Verizon Network Report, September 18, 2015</p> <p>TURN Opening Brief, p. 13-17,</p>	<p>Verified</p>

<p>TURN proposed several mitigations and conditions including an 1) independent investigation of network quality, 2) a requirement that Verizon, not Frontier, pay to fix its network to bring it into compliance with Commission service quality metrics through an escrow account, 3) specific benchmarks for improvement in Frontier's service quality performance and, 4) changes to policies regarding Verizon's VoiceLink service. Using data that came directly from the Applicants, TURN provided a detailed analysis of the synergies and savings that would result from the transaction to support its proposal that Verizon contribute over \$300 million to the escrow fund to fix the network and properly share ratepayer benefits.</p> <p>During the proceeding, the Assigned Commissioner and ALJ ordered further investigation into service quality issues. The Scoping Memo specifically asked parties to address several service quality and network reliability issues in testimony and briefs. The intent of the multiple workshops and PPHs throughout Verizon territory was "to review the technical condition of the network . . . to inform the parties and Commission about the operational status of the facilities . . . and what steps may be necessary to satisfy the consumer benefit and public interest tests for approval of such transfers under the Public Utilities Code." In addition, similar to TURN's and ORA's call for an independent investigation of service quality problems, Verizon was ordered to present a network study and to</p>	<p>62-87</p> <p>TURN Reply Brief, p. 19-40</p> <p>Joint Motion to Approve Partial Settlement, Settlement Motion, 3-5, Exhibit 1</p> <p>Final Decision, p. 48-52, 68-69, OP 4, 5, 8, 9, 13</p>	
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<p>appear under oath for cross examination to discuss the state of its network. TURN was an active participant in the workshops and the hearings, providing analysis and synthesis of the material gathered during those processes in its subsequent testimony and briefs. As a result of the emphasis on service quality by TURN and other intervenors, the Joint Settlement addresses these issues directly and in significant detail. The Joint Settlement holds Frontier accountable for improvements in service quality performance as measured by Commission General Orders, and requires critical changes to network infrastructure designed to create a safe and reliable network for Verizon ratepayers even in the most rural parts of the state. The commitments in the Joint Settlement also include strategic planning to improve service quality and reliability and reduce outages, back up battery requirements, network redundancy, 911 testing, dedication of additional skilled personnel to the region, and changes to Verizon's VoiceLink policies.</p> <p>The Final Decision also states that, "the Settlements and the MOUs have alleviated concerns that Frontier will neglect the network upon succeeding to Verizon as its owner." P50 and it relies on the settlements and MOUs to ensure proper distribution of ratepayer benefits. P.48 It also takes official notice of the numerous customer complaints voiced at the PPHs and workshops pursuant to Evidence Code Section 452(h), p. 52, many of which TURN summarized and synthesized in</p>		
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<p>testimony and legal briefs to ensure that service quality issues were addressed as part of the Commission’s public interest analysis. In light of the strong record evidence of service quality problems, the Final Decision OP5, requires Verizon to “fully comply” with GO 133 prior to the transaction closing, echoing TURN’s argument in its testimony that Verizon should shoulder the burden to improve service quality, limiting Frontier’s obligation. The Final Decision also orders an escrow account, similar to what TURN and ORA advocated, to help defray the expense of fixing service quality problems. While the Final Decision does not require Verizon to fund the escrow with the same amount of money as proposed by TURN, it does order Verizon to contribute the necessary funding to fix service quality problems to ensure that Frontier does not take on a burden it cannot financially bear. Moreover the Final Decision emphasizes the importance of network reliability issues by separately stating the requirement for Frontier to provide education materials regarding back up battery (OP 8), a key issue addressed in TURN’s testimony and the Joint Settlement.</p>		
<p><i>6. Financial Analysis- Hart, Scott, Rodino Filing & Financial Modeling</i></p> <p>Section 854(c)(1) requires the Commission to find that the transaction will “maintain or improve” the financial condition of both Verizon and Frontier. Moreover, the statute requires the Commission to determine the impact</p>	<p>Joint Application, p. 15, 26-29 TURN Protest, p. 12-14 Amended Scoping Memo Qs 1, 3, 6, 7, 9, 10, 13, 14, 15, 16 Reply Testimony of Susan Baldwin, July 28, 2015, p. 37-55, 111-116, 129 Reply Testimony of David Brevitz, July 28, 2015</p>	<p>Verified</p>

<p>of the transaction on competition and on innovation and investment in California. Joint Applicants' initial showing provided vague descriptions and commitments regarding increased efficiencies, cost savings and capital investment and the impact of this transaction on the financial bottom line of both companies. Based on strong data analysis and expert witness testimony, TURN found that the Application was based on overly-optimistic assumptions that ignored the uncertainties of the financial markets and company-wide impacts of this resource-intensive transaction.</p> <p>To comply with the statute, the Scoping Memo requested that parties address whether the transaction was in the public interest relative to the financial impact, impact on competition, and on innovation and the economy.</p> <p>TURN committed substantial resources to preparing and presenting a detailed financial analysis to address issues raised in the statute and the Scoping Memo and to propose conditions that would ensure the transaction was in the public interest in these areas.</p> <p>TURN's financial analysis, presented primarily by TURN's witness Brevitz, included a review of the companies' Hart, Scott, Rodino filings that provided detailed information about the companies' own analysis of public interest benefits and financial risks of the proposed transaction. TURN also conducted a detailed analysis of the risks related to the proposed financing of the transaction and of</p>	<p>Supplemental Testimony of David Brevitz, September 11, 2015, 1-22</p> <p>Verizon Network Report, September 18, 2016</p> <p>TURN Opening Brief, p. 17, 49-62</p> <p>TURN Reply Brief, p. 40-44, 51-53</p> <p>Joint Motion to Approve Partial Settlement, Settlement Motion, Exhibit 1</p> <p>Final Decision 10-16, 41-47, 57-59, 63-68</p>	
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<p>Frontier’s pre-merger financial modeling to understand the assumptions and data that was used to demonstrate public benefit in the Joint Application. Finally, TURN used data gathered through an extensive data request process to analyze not only the impact the transaction would have on existing competition, but also the impact that competition would have on Frontier’s financial viability, in particular the potential for competition from Verizon itself. TURN’s analysis proposed several mitigating conditions regarding the debt and equity financing, escrow fund, capital investments, and terms and conditions of the transaction. TURN’s concerns regarding the overall financial health of Frontier resulted in proposals in Mr. Brevitz’s testimony regarding the escrow account and the need to make both parties commit to a specific amount of capital investment into the California network to ensure that the transaction would be beneficial overall to Frontier and the state and local economies.</p> <p>The Final Decision sets forth a detailed discussion of the Joint Applicants’ arguments regarding the financial and economic benefits of the transaction, including impacts on Frontier’s EBITA (which TURN also addresses) and other economic barometers. The Final Decision also summarizes TURN’s proposed conditions from Mr. Brevitz’s testimony regarding the economic and financial impacts of the transaction. Relying on the record developed in this case, the Commission found that the</p>		
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<p>transaction satisfied the public interest requirements regarding the economic and financial impact on both Frontier and the local and state economies. The Final Decision concludes that the transaction, as proposed by the Joint Applicants, could not satisfy the public interest requirements in Section 854(c), which includes the financial impacts on Frontier and those relating to the state and local economy, without the additional commitments Frontier made in the Joint Settlement and with other parties.</p> <p>As discussed above, the Joint Settlement is a comprehensive list of conditions. TURN relied on Mr. Brevitz's extensive data analysis and testimony as the basis for our negotiating and analyzing the terms of the settlement to ensure it would result in sufficient capital investment allocation of public interest benefits for ratepayers.</p> <p>In addition to those included in the Joint Settlement, the Final Decision placed further conditions on Verizon (and Frontier but only if Verizon fails to perform) to improve service quality prior to the transaction closing. This condition is consistent with TURN's argument that there may have been negative economic and financial impact on Frontier if it had been saddled with all of the problems of Verizon's network reliability. Thus placing financial responsibility partly on Verizon will help ameliorate the concern raised by Mr. Brevitz.</p> <p>The financial impacts of this transaction on Frontier and on the local economy were unclear at the start of this proceeding. The statute</p>		
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<p>and Scoping Memo required an analysis of these issues before finding the transaction was in the public interest and Mr. Brevitz addressed several such issues in his testimony, thus developing a detailed and data-driven record upon which the Commission could find that this transaction was in the public interest on these issues. While the decision did not explicitly address each concern raised by Mr. Brevitz, or any other intervenor, the adopted outcomes are consistent with his review and recommendations.</p>		
<p><i>7. Changes to the Proposed Decision</i></p> <p>The Final Decision adopt several substantive changes to the Proposed Decision as proposed by TURN although it does not specifically reference any single parties' comments. For example,</p> <ul style="list-style-type: none"> • The Final Decision clarifies standard of review in Section 854 to eliminate erroneous language that would have improperly adopted a "not adverse to public interest." TURN filed comments on the PD pointing out that this standard actually flips the burden of proof over to intervenors who must then demonstrate adverse consequences instead of requiring the Applicants to demonstrate public interest. The Final Decision eliminates this language from the discussion. • The Proposed Decision suggested that the Commission was bound to rely on the marketplace to properly allocate merger benefits pursuant to Section 854b in part because the Commission has chosen to 	<p>Proposed Decision ALJ Bemesderfer, November 6, 2015</p> <p>TURN Comments on the PD, November 20, 2015</p> <p>TURN/CforAT Comments on the PD, November 25, 2015</p> <p>Final Decision at pp. 8, 48, 52, 65</p>	<p>Verified</p>

<p>forbear from rate regulation. TURN argued that this overstated any possible limitations to the mechanisms used by the Commission to implement sharing, and discussed this as an error of both fact and law. The Final Decision eliminates the erroneous, argument and, instead, clarifies that the Commission is relying on commitments made by Frontier in its Application and as part of the multiple settlements to properly allocate benefit and satisfy the public interest standard.</p> <ul style="list-style-type: none">• The Proposed Decision dismissed the entire PPH process as producing “anecdotal evidence” and stated that it would not rely on any of the testimony for its findings. After comments by TURN regarding the legal authority to accept PPHs in the record as well as the public policy benefit of encouraging PPH testimony by validating its purpose as a vital part of the decision making process, the Final Decision eliminated references to devaluating the PPH testimony and instead took official notice of the evidence and relied on it, along with testimony, to impose additional service quality requirements.		
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B. Duplication of Effort (§ 1801.3(f) and § 1802.5):

	Intervenor's Assertion	CPUC Discussion
a. Was the Office of Ratepayer Advocates (ORA) a party to the proceeding?	Yes	Verified
b. Were there other parties to the proceeding with positions similar to yours?	Yes	Verified
c. If so, provide name of other parties: Center for Accessible Technology, Greenlining Institute, California Emerging Technology Fund, National Diversity Coalition		Verified
d. Intervenor's claim of non-duplication: TURN worked closely with ORA and other intervenors to ensure that consumer interests were strongly represented in all aspects of this complicated case. Merger proceedings are often on an expedited procedural schedule to accommodate Wall Street expectations and to coordinate with the FCC and other state efforts in review of the transaction. Here, the expedited schedule was less than 10 months from start to finish. Through their coordinated efforts, parties worked to ensure that all issues were addressed in an effective and comprehensive manner to provide public interest benefits for ratepayers. Given these circumstances, TURN urges the Commission to find that any duplication of effort this case was minimal and was necessary to ensure effective and efficient representation of consumer interests. The Joint Minority Parties and Greenlining represented specific minority and low-income communities. During the proceeding they advocated to ensure that Frontier will be responsive to the needs of these communities within the territory Frontier acquired from Verizon. While TURN coordinated with Greenlining early in the proceeding, neither Greenlining nor the Joint Minority Parties participated in the workshops, hearings nor did they file briefs. Both groups entered into separate settlements with Frontier in late September resolving their issues that they each raised in testimony. (<i>See, Reply Testimony of JMP, July 28, 2015, Reply Testimony of Greenlining, July 28, 2015, Memorandum of Understanding between Frontier and Greenlining, September 22, 2015 (attached as an ex party 9/23/15; Memorandum of Understanding of Frontier and JMP, September 30, 2015 (attached to Frontier Testimony)</i>) Similarly, the California Emerging Technology Fund (CETF) submitted testimony "neither supporting or opposing the transaction" but urging the Commission to require Frontier to provide adequate broadband infrastructure and opportunities for affordable broadband as conditions to meeting the public interest test in the statute. (<i>Reply Testimony of CETF, July 28, 2015</i>) CETF was not an active participant in the workshops or hearing and entered		Verified

into a separate settlement with Frontier focused on broadband deployment in specific areas where CETF has broadband consortium members along with terms and conditions of the deployment. TURN monitored CETF's work and discussed litigation matters with representatives of CETF and Frontier to mitigate or limit potential duplication, and ensure consistency of the requirements on broadband issues, as reflected in the two resulting settlements. (*Memorandum of Understanding of Frontier and CETF, October 23, 2015 (Joint Motion)*)

Center for Accessible Technology also focused its advocacy on a narrower and more specific range of issues. CforAT submitted testimony primarily urging the Commission to require Frontier to address issues of customer service, broadband deployment and network reliability specifically as it impacts the disability community. CforAT also urged specific requirements for battery back up education and deployment. While TURN also addressed battery backup, CforAT focused on education and outreach and looking at the special vulnerability of the disability community. TURN worked closely with CforAT during the hearings on network reliability and during settlement discussions, resulting in the Joint Settlement, however, CforAT did not participate in the numerous workshops held around the state. (*Reply Testimony of Center for Accessible Technology, July 28, 2015*)

Finally, TURN worked closely with ORA to avoid and minimize duplication of effort in this case. Both ORA and TURN were very active parties in this proceeding, submitting substantial testimony and briefing and making a substantial contribution to the record through the hearings regarding service quality and network reliability. Also, TURN and ORA worked closely together during settlement discussions to ensure all outstanding issues were discussed and included in the talks that ultimately resulted in a Joint Settlement. In addition to our close working relationship to avoid duplication of effort, TURN and ORA also took different positions on some key issues. Most notably, TURN and ORA presented different analyses and ultimately introduced different proposals regarding the Verizon escrow fund to support capital expenditures in the network. TURN advocated for basic service rate caps, a low-income broadband program and more modest broadband deployment milestones, while ORA took a different approach focusing on aggressive high-speed broadband deployment. There are numerous other examples that TURN would be glad to provide should the Commission find it necessary here.

PART III: REASONABLENESS OF REQUESTED COMPENSATION

A. General Claim of Reasonableness (§ 1801 and § 1806):

a. Intervenor's claim of cost reasonableness:	CPUC Discussion
TURN's substantial contribution in this docket resulted in significant benefits for ratepayers of both Frontier and Verizon. Therefore, TURN	Verified

urges the Commission to find that its costs of participation of \$476,043 are reasonable. The potential impact of this transaction on the ratepayers of both companies cannot be overstated. This transaction was valued at over \$10 billion nationwide and included over 2.2 million voice customers in California alone, encompassing residential, small business, broadband and long distance. It also called for transfer of the entire Verizon network paid for by ratepayers over decades. TURN dedicated significant resources to this proceeding to ensure that Frontier will be good stewards of the assets and that customers will benefit through increased reliability and capability of the network.

TURN also advocated that the Commission should use its significant authority under the Public Utilities Code to ensure ratepayer benefits from this transaction are equitably allocated and the resulting business is in the public interest.

TURN provided a comprehensive, data-intensive analysis of the transaction and the companies' commitments as well as significant conditions to bring sufficient benefit to ratepayers. As a result of the Joint Settlement entered into between TURN, Frontier and other intervenors, ratepayers will receive significant benefits beyond what Frontier and Verizon offered in their initial Application, including expanding broadband deployment to benefit an additional 250,000 customers, creating a low income broadband program, dedicating personnel and financial resources to reduce outages and improve service quality, implementing additional network reliability measures and E911 improvements, back up power functionality and providing multiple reports to the Commission to ensure that Frontier satisfies these commitments. Moreover, Frontier agreed to rate caps for basic service and related services and features for 2 years. Through negotiation and compromise the Joint Settlement covers many of the issues raised in TURN's testimony and provides significant benefits to ratepayers gained

Relying on the record built by TURN and other consumer advocates in this docket, the Commission also went beyond the Settlements and beyond the Joint Applicants' commitments to require both Frontier and Verizon to perform additional work to correct GO 95 and 133 deficiencies prior to closing. To ensure that Frontier does not bear an excessive financial burden to repair the network, the Final Decision requires Verizon to establish an escrow fund thus protecting Frontier customers from the potential risks of being served by a utility that may be financially struggling.

It is difficult to specifically quantify the benefits to ratepayers resulting from TURN's participation. However, the rate caps and low-income broadband program alone will provide measurable and concrete savings to

<p>millions of Frontier consumers. TURN urges the Commission to find the cost of its participation was reasonable in light of these benefits.</p>	
<p>b. Reasonableness of hours claimed:</p> <p><i>TURN Advocates and Coordination of Effort</i></p> <p>Ms. Mailloux was TURN's lead attorney on this case. She developed TURN strategy and positions on legal issues and statutory interpretation, coordinated and worked with experts to draft testimony, coordinated TURN's team to draft voluminous legal briefs, represented TURN on discovery matters and in settlement discussions, and addressed the myriad of procedural issues that arose in this proceeding. Ms. Mailloux traveled on several occasions as part of her work on this proceeding, including attendance at the PHC, the workshop in Long Beach, settlement talks, and the single day of hearings. TURN submits that under the circumstances here the travel time should be fully compensable. It was important that TURN be represented at each of these events by a person sufficiently familiar with the significant record in this proceeding. TURN faced the choice of having Ms. Mailloux, the person most familiar with the proceeding, travel to these events or preparing another staff attorney to participate in her stead. In addition, given the complicated schedule, and compressed time frame, it would have been challenging to find sufficient time to educate and prepare another TURN advocate. For these reasons, the Commission should determine that the travel hours for Ms. Mailloux are reasonable and should be compensated in full. .</p> <p>Ms. Costa, TURN Telecommunications Research Director, played a vital role in TURN's advocacy by actively participating in several of the workshops held throughout the state on service quality and network reliability issues. Ms. Costa worked with the outside experts, in particular Ms. Baldwin on service quality and broadband policy issues. Ms. Costa has worked on these issues extensively at both the state and federal level and brought her knowledge on these issues to bear. Her expertise on service quality also allowed her to significantly contribute to TURN's participation in the hearings on Verizon's Network Study. The workshops, testimony review, and hearings were all significant efforts that could not have been effectively accomplished by a single TURN advocate.</p> <p>Mr. Nusbaum worked closely with the team by consulting on strategy and drafting sections of briefs. Mr. Nusbaum also provided back-up representation when Ms. Mailloux was unavailable, specifically during the lead-up to the first round of testimony and the particularly important Santa Clara academic panel and workshop where we were provided an opportunity for TURN's consultants to ask substantive questions and respond to panel and workshop assertions.</p>	<p>Verified</p>

Ms. Baldwin and her team were also critical assets to TURN's effort. TURN's consultants devoted substantial hours to the significant work of analyzing the voluminous discovery responses in this docket and assisting the TURN advocates in discovery matters. They also drafted two rounds of extensive testimony on the numerous issues raised by the Scoping Memo including jurisdiction, service quality, broadband policy, rate caps, competition analysis, and network transition. The time records reflect that these experts coordinated amongst themselves to avoid duplication of roles and efforts and then worked with TURN advocates to ensure efficiency and effectiveness in developing TURN positions and supporting testimony and brief writing. The time records also reflect that Ms. Bosley was primarily responsible for discovery analysis and review which, in turn, assisted Ms. Baldwin with preparation of testimony. Ms. Golding served in a more limited capacity and was primarily responsible for work on the testimony through editing and analysis.

Mr. Brevitz served as TURN's expert on matters related to the financial impacts of the transaction including financial modeling, review of the federal regulatory filings, analysis of financing options and review of the terms of the Service Purchase Agreement. In order to complete his analysis, Mr. Brevitz conducted significant data analysis using TURN-propounded discovery as well as a review of discovery propounded by other parties. Mr. Brevitz's work was somewhat complicated by the fact that Frontier and Verizon required him to view some of the more sensitive "no copies" documents only at the companies' outside counsel offices. Mr. Brevitz's reply and supplemental testimony provided detailed analysis of the impacts of the financial aspects of this transaction, as well as proposed conditions to mitigate possible negative financial impacts on ratepayers.

Mr. Brevitz, along with Ms. Baldwin and Ms. Mailloux, dedicate significant number of hours to the financial analysis work. The Commission should find the requested amount appropriate and reasonable, as the analysis encompassed many elements of Section 854 public interest test. Several issues addressed by Mr. Brevitz, especially the financial modeling and transaction financing, were evolving during the litigation itself, causing Mr. Brevitz to constantly review and analyze ongoing data and national developments. TURN used the detailed and data-driven work to assist it in analyzing other parties' testimony and positions, review Verizon's network report regarding capital investments, and to confidently negotiate a wide-ranging settlement. This highly sensitive analysis was critical to TURN's advocacy to ensure that the transaction and resulting Joint Settlement was in the public interest.

Avoiding Duplication of Effort

This was a large and complicated case with issues involving millions of dollars, the transfer of an entire legacy network, and millions of affected ratepayers. The numerous issues set forth in the Scoping Memo, the broad scope of Section 854, along with complicated procedural issues and voluminous discovery requirements all meant that TURN had to spend significant time in discussion, consultation and innovative strategic thinking with both the internal TURN team and external partners to successfully litigate the case. Throughout that effort, TURN took reasonable steps to avoid and minimize any internal duplication of effort.

As discussed above, each TURN advocate had a specific role in developing and implementing TURN's advocacy, consistent with his or her specific expertise and background. A number of the time record entries reflect internal and external meetings involving two or more of TURN's attorneys and expert witnesses. In drafting this request for compensation, TURN has carefully reviewed its time sheets and deleted entries where there was a likelihood of unnecessary duplication. The Commission should find that any remaining duplication appearing in the time sheets as submitted is duplication that was either unavoidable or otherwise necessary to TURN's making a substantial contribution in this proceeding, and therefore reasonable for intervenor compensation purposes..

TURN's time sheets also reflect meetings with other parties, as well as other proceeding events, such as the academic panel/workshop, the hearing and settlement discussions, at which more than one TURN advocate was present. The Commission should understand that having more than one representative at such events is often essential in a case such as this one, with a wide range of issues on service quality, discovery status, broadband issues, financial analysis, and regulatory jurisdiction, that no single person is likely to master. Indeed, for the PHC and most of the workshops held in multiple cities around the states, TURN only had a single representative in attendance. TURN submits that such meetings are part of an intervenor's effective advocacy before the Commission, and that intervenor compensation can and should be awarded for the time of all participants in such meetings where, as here, each participant needed to be in the meeting to support and advance the intervenor's advocacy efforts.

Workshop Process

TURN's timesheets reflect the hours spent traveling to and attending the multiple workshops held in different cities within Verizon's territory. The Assigned Commissioner scheduled a series of ten workshops to gather evidence about the state of Verizon's network and the impact of the transaction on the network and Verizon's services. These workshops were often paired with PPHs and, in Santa Clara, also included an academic panel of experts. While the workshop had different themes, they were

structured similarly. At each event the parties to the proceeding took a tour of Verizon's facilities while Verizon personnel answered questions of the group. Either before or after the tour, there was a transcribed workshop that included parties to the proceeding answering pre-determined questions or asking each other questions. This workshop transcript was intended to be part of the record. The workshop in Santa Clara included presentations from academic experts and further discussion with the companies' experts. This opportunity appeared to be particularly important to the development of the proceeding, leading TURN to bring its expert to that workshop. Because the tour and discussions were part of the record, TURN believed it was critical to have at least one representative at as many of the workshops as possible. Limited resources prevented TURN from attending a few of the workshops. Further, TURN did not bring its witness on service quality to the hearings, but instead chose to conserve resources and use Ms. Baldwin to help prepare for the hearing while Ms. Costa and Ms. Mailloux attended the hearing and presented the cross examination.

Discovery

TURN propounded 12 sets of discovery on the Joint Applicants. The discovery process was made more time- and labor-consuming by the fact that TURN had to propound separate questions on Frontier and Verizon because antitrust rules prevented the two companies from communicating or discussing matters related to much of the data TURN was requesting in discovery. TURN's discovery covered multiple issues including financial, service quality, competition, broadband, and transaction-related and laid the groundwork for the rest of its advocacy, workshop attendance, hearings and settlement discussion.

Also as part of the discovery process, TURN also had to conduct several meet and confer meetings with both Verizon and Frontier on matters such as access to the Hart Scott Rodino filings, Frontier's financial modeling and data on affiliate operations. In one instance, TURN had to bring a Motion to Compel on its discovery regarding financial modeling. Each of these efforts was time consuming for members of the TURN team. In each case, TURN was able to negotiate a resolution with the company and it received the data.

A related issue related to TURN's work to ensure the confidentiality of the Verizon and Frontier data. This work involved negotiations over the NDA and the process for designation of "Lawyers-Only" and "No-Copies" material. There were conference calls among the active parties and between TURN and Frontier about how to use confidential data in testimony and briefs while maintaining the confidentiality. Finally, the volume of confidential data added complexity to drafting testimony and briefing.

TURN urges the Commission to find that the significant resources spent to collect, analyze and use discovery is reasonable.

Settlement

The active parties to this case filed a Motion requesting approval of a settlement that resolved most outstanding issues. Relative to the comprehensive nature of the settlement and the numerous benefits it brings to Frontier and Verizon ratepayers, TURN believes that the hours coded as SETT are extremely reasonable. TURN worked with its internal team to vet the settlement terms and ensure the resulting discussion and necessary compromise properly reflected TURN's testimony and the rest of the record in this docket. TURN notes that the relatively small number of hours dedicated to the successful settlement process is the direct product of the quality of TURN's testimony from Ms. Baldwin and Mr. Brevitz, which provided such a comprehensive analysis, TURN advocates did not have significant independent work.

Hourly Rates of TURN Staff

For Christine Mailloux, Regina Costa, William Nusbaum, TURN is using their approved rates for work performed 2014 as the rate in 2015 and it has cited to the relevant Commission decisions for support of those rates.

Susan Baldwin: This is the third compensation request in which TURN seeks approval for an hourly rate for work performed by Ms. Susan Baldwin. TURN requests an hourly rate of \$195, which we submit is a reasonable rate for an economist of her training and experience. TURN has a pending request to set a rate for Ms. Baldwin in A.14-04-013 filed September 28, 2015 and in C.13-12-005 filed on December 22, 2015. In these previous requests, TURN provided the Commission with extensive discussion of Ms. Baldwin's expertise and experience to support her requested rate. TURN provides a very brief summary of Ms. Baldwin's background here.

Ms. Baldwin specializes in utility economics, regulation, and public policy. Ms. Baldwin worked with Economics and Technology, Inc. for twelve years, most recently as a Senior Vice President. Since 2001, Ms. Baldwin has been an independent consultant with extensive experience both in government and in the private sector. She has been actively involved in public policy for thirty-six years, more than thirty of which have been in telecommunications policy and regulation. Ms. Baldwin received her Master of Economics from Boston University, her Master of Public Policy from Harvard University's John F. Kennedy School of Government, and her Bachelor of Arts degree in Mathematics and English from Wellesley

College.

In her capacity as an independent consultant, Ms. Baldwin has consulted to and testified on behalf of consumer advocates before 21 state public utility commissions on diverse matters on telecommunications and energy policy at both the federal and state levels. Specifically with regard to proposed transfers of control and merger, Ms. Baldwin has participated in more than twenty state and federal regulatory investigations, including several involving Frontier or Verizon. Ms. Baldwin also has numerous publications, papers and presentations to her credit, with the vast majority focusing on telecommunications regulatory policy.

Ms. Baldwin has few “close peers” in telecommunications matters before the Commission. However, when comparing Ms. Baldwin to the expert witnesses used by companies before the state commissions, it is apparent that Ms. Baldwin’s rates are significantly below market rates for economists with Ms. Baldwin’s experience. For example, Dr. Trevor Roycroft who has been an expert for TURN in the past and is an economist who also has extensive experience advocating on behalf of consumers before state PUCs, such as this Commission. In the AT&T/T-Mobile merger proceeding (I.11-06-009), the Commission approved an hourly rate for Dr. Roycroft of \$230 for his work in 2011.

Other “close peers” include Terry Murray and Mike Majoros, each of whom have rates substantially above Ms. Baldwin’s requested rate of \$195. Given her credentials, the reasonableness of her rate relative to her professional peers, the fact that her rate is closer to the bottom of the authorized rate range and the excellence of her work in this proceeding, TURN respectfully requests that the Commission approve the requested hourly rate of \$195 for work performed in 2015.

Sarah Bosley This is the second Request for Compensation in which TURN seeks an hourly rate for substantive work performed by Ms. Bosley. TURN requests an hourly rate of \$145, which we submit is a reasonable rate for an economist of her training and experience. TURN previously filed a request for compensation for Ms. Bosley in C.13-12-005. In this previous request, TURN provided the Commission with extensive discussion of Ms. Bosley’s expertise and experience to support her requested rate. TURN provides a very brief summary of Ms. Bosley’s background here.

Sarah M. Bosley provides consulting services as an independent consultant. Ms. Bosley has fourteen years of experience in telecommunications and energy economics, regulation, and public policy. Ms. Bosley began her career at Economics and Technology, Inc. as a Senior Analyst and Consultant. Ms. Bosley earned her Master of Science in Agricultural and

Applied Economics from Virginia Tech, her Master of Arts in International Affairs from American University, and her Bachelor of Arts in Political Science from McGill University.

In her capacity as an independent consultant, Ms. Bosley conducts economic analysis, researches telecommunications and energy market policy and regulation, and contributes to expert testimony in numerous state and federal regulatory proceedings. Ms. Bosley's work has also included the evaluation of telecommunications mergers for a variety of different stakeholders including consumer advocate organizations in California, Hawaii, Washington, New Jersey and at the FCC.

As with Ms. Baldwin, Ms. Bosley has few "close peers" in telecommunications matters before the Commission. Perhaps her closest peers are Scott Cratty and Elizabeth Kientzle. The Commission approved hourly rates of \$210 each for Mr. Cratty and Ms. Kientzle for work performed in 2005, over a decade ago.

Given her credentials and the excellence of her work in this proceeding, and in light of the fact that even the requested \$145 hourly rate is closer to the bottom of the authorized rate range than it is to the top of that range, TURN respectfully requests that the Commission approve the requested hourly rate of \$145 for work performed by Ms. Bosley in 2014 and 2015.

Helen Golding: This is TURN's second request for approval of an hourly rate for the work of Helen Golding. TURN is requesting approval of a rate of \$195/hour for work performed in 2015. TURN previously requested compensation for Ms. Golding's 2014 work in C.13-12-005. Ms. Golding is an independent consultant with over 35 years of experience in the field of utility regulation and public policy and frequently works on projects with Ms. Baldwin and Ms. Bosley when her expertise and experience are needed. Ms. Golding is a 1974 graduate of Bryn Mawr College and holds a law degree from Boston University.

She has written or co-written several articles and research papers on telecommunications regulatory policy for the ABA Section of Antitrust Law, Federal Communications Law Journal, and the National Regulatory Research Institute. After 15 years as a successful regulatory and administrative law attorney focusing on telecommunications and energy policy, Ms. Golding began her consulting career as a Vice President at Economics and Technology Inc., After 17 years at ETI, Ms. Golding is now an independent consultant working on a variety of issues for clients representing consumers, business customers, and competitive communications providers. She has extensive experience analyzing the evolution of the industry structure resulting from the effects of deregulation and technology shifts.

Ms. Golding's experience as both an attorney and independent consultant with decades of experience in telecommunications regulatory policy suggests that her rate should fall at the top of her range. Her work in this case was primarily as a consultant and her rate should be considered in the context of consultant rates. The range of hourly rates for consultants with 13+ years of experience set forth in ALJ-308 is quite large at \$170-\$420. Despite her vast experience, Ms. Golding's requested rate of \$195 is close to the bottom of that range.

Like Ms. Baldwin, Ms. Golding's rate is also significantly below that of Dr. Roycroft and Ms. Murray.

David Brevitz: This is TURN's first request for compensation for Mr. Brevitz. TURN is requesting an hourly rate of \$150 for his work performed in 2015. Mr. Brevitz holds an MBA from Michigan State University with an emphasis in Finance and is a Chartered Financial Analyst. He has also been designated as a Senior Fellow by the Public Utility Research Center at the University of Florida and is a regular lecturer at the Research Center's semi-annual conference.

Mr. Brevitz is an independent regulatory consultant and has more than thirty years of experience in national regulation of public utilities, state regulation of public utilities, regulatory policy at the state commission level, determination of just, reasonable and non-discriminatory rates, and determination of revenue requirements in regulatory proceedings. Mr. Brevitz has significant experience in a wide variety of telecommunications matters including wholesale and retail service quality metrics and measurements, competition policy, broadband internet access, telecommunications cost allocations and revenue requirements, and telecommunications regulation/de-regulation. Mr. Brevitz's consulting practice focuses on technical assistance to state utility commissions, consumer advocate offices and organizations, state attorneys general offices, and national telecommunications regulatory bodies.

Mr. Brevitz has submitted testimony in numerous state commission dockets, generally on half of the state agency, state AG's office or a consumer advocate/counsel office. Prior to his work as an independent consultant, Mr. Brevitz held positions at the Kansas and Arizona Corporation Commissions and as the Director of Regulatory Affairs for a consortium of independent local exchange carriers in Kansas called the Kansas Consolidated Professional Resources.

Mr. Brevitz rate of \$150 is more than reasonable and at the bottom of the range for his level of experience. His background and experience is comparable with Mike Majoros who has worked with TURN on

depreciation-related matters. In D.06-10-018, the Commission awarded compensation at an hourly rate of \$240 for Mr. Majoros's work in 2005 in the SCE GRC. Both Mr. Brevitz and Mr. Majoros have concentrations in accounting, but Mr. Brevitz also has both an MBA and a certification as a financial analyst. Both individuals have several decades of experience in regulatory matters as expert witnesses and consultants, and both have addressed a wide array of challenging and data-intensive regulatory issues in numerous jurisdictions.

TURN requests that the Commission approve Mr. Brevitz's requested rate of \$150.

Reasonableness of Expenses

TURN requests that the Commission finds the expenses associated with its participation in this case as reasonable. TURN incurred substantial, but reasonable and necessary, expenses in this proceeding to ensure it could effectively represent consumer interests in this case. TURN anticipated that its expenses would be significant and estimated its incurred expenses would be over \$6,000 in its NOI. In light of the fact that TURN submitted multiple rounds of testimony, a Motion to Compel, two rounds of legal briefs, significant discovery and comments on the Proposed Decision, TURN's postage, copying and legal research fees are appropriate. TURN's slightly higher than average phone charges reflect the significant effort TURN put forth to not only coordinate its own internal team but also among the various intervenors and ORA.

Although high, TURN's travel expenses are also reasonable. Ms. Mailloux only traveled from her office in San Diego to San Francisco when absolutely necessary to attend key events such as the PHC and hearings. She also attended the Long Beach workshop by car, which significantly reduced the travel costs as compared to air fare that a TURN advocate would have otherwise spent. Ms. Baldwin's expenses to travel to Santa Clara also are reasonable because her attendance at this event was necessary to ensure adequate representation of TURN's interests in the discussion with the academic experts and company consultants. Further, these expenses are limited because Ms. Baldwin is only charging airfare and a small amount of incidental transportation expense, but no meals and no lodging.

TURN has been cautious when incurring expenses and conservative in its decisions whether to include certain expenses in this compensation request. Where appropriate, it has deleted certain travel expenses and the related travel time that might be considered duplicative or where the associated travel permitted TURN's advocate to attend more than one event. Therefore the Commission should find TURN's direct expenses reasonable.

c. Allocation of hours by issue:		Verified
GP	General Preparation: Work that generally does not vary with the number of issues that TURN addresses in the case. This code includes multiple meetings with Frontier team, attending the PHC and initial review of documents.	
DISC	Discovery: Work on discovery-related issues including drafting and propounding discovery, answering discovery requests, analysis of discovery responses, and coordination with other parties on discovery issues. Includes work on Motion to Compel re: financial modeling, work with parties to protect confidential information including non-disclosure agreements, time-consuming redactions and multiple versions of testimony. TURN does not believe allocation of these entries is required, but if the Commission chooses to allocate these entries to specific issues they would roughly break down as: Motion to Compel/Financial Modeling- 20%; Financial Analysis- 30%; SQ-20%; BB-10%; HSR/Competition impacts- 20%	
DISC-C	Discovery-Confidential: Work to address issues regarding the confidentiality of company data and the anti-trust issues relating to data sharing among the companies. This includes negotiations regarding NDAs, categorization of data as Lawyers-Only and No Copies, use of confidential data in TURN testimony and briefs, and work to redact confidential material from TURN documents to create versions for service	
PR	Protest: Work on the protest of the Joint Application including research, drafting, and strategy meetings.	
PROC	Procedure: Work addressing a number of procedural motions and events in the case including ORA's Motion regarding the Scope and the preparation, coordination and strategy to attend numerous workshops.	
EF	Escrow Fund: Analysis and proposals regarding the need to dedicate specific capital investment by Verizon into an escrow account for purposes of repairing the network and expanding broadband, as well as guarantees of capital expenditures.	
SETT	Settlement: Work for TURN to participate in settlement negotiations between Frontier, ORA, Center for Accessible Technology and TURN. This includes coordinating and participating in discussions and drafting the Settlement and related Motion. This code also includes time coordinating and discussing settlement with ORA and other intervenors.	
SQ-H	Hearing: The Assigned Commissioner scheduled a single day of hearings in this proceeding regarding Verizon's Network Study. The entries reflect time spent by TURN and its experts to prepare for hearings including review of the Study, PPH transcripts, voluminous discovery and testimony. Ms. Mailloux and Ms. Costa attended the hearings on behalf of TURN.	
SQ	Service Quality: Analysis and proposals to address Verizon network problems, network transition issues and service quality metrics and measures; includes rate freeze issues.	

CMPTN	Competition: Data analysis and testimony regarding the impact of the transaction on competition and the impact of potential competition on the transaction and Frontier's financial health
FINAN	Financial: Analysis and proposals to meet the statutory requirements to assess financial impacts of transaction, impacts on competition and financing.
PD	Proposed Decision: Work to review, analyze and comment on PD including proposed revisions; Coordinate effort with intervenors and AT&T re: support for settlement; time spent on ex parte meetings re: necessary changes to PD and status of settlement approval
COORD	Coord: Time spent working with other intervenors on substantive and procedural issues, work necessary to avoid duplication of issues including joint filings, strategy discussions and scheduling issues.
BB	Broadband: Analysis and proposals regarding the deployment of broadband facilities, low income broadband proposal, receipt of the Connect America Fund monies, increasing available speeds and service quality
LGL	Legal Issues: Analysis of issues relating to the interpretation and requirements of Section 854, Commission jurisdiction issues and the impact of federal law on broadband policy
#	Combined Efforts: Time entries that cover substantive work that cannot easily be identified with a specific activity code. TURN attempts to identify each entry with a specific issue and therefore entries with a “#” are limited. TURN does not believe allocation of these entries is required, but if the Commission chooses to allocate these entries to specific issues they would roughly break down as: LGL-10%; SQ-30%; BB-20%; Finan-20%; EF-10%; HSR-10%
COMP	Compensation: work spent on compensation request related matters including draft the Notice of Intent to Claim compensation and this compensation request

B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
Christine Mailloux	2015	333.50	\$440	D.15-06-018, ALJ-308	\$146,740.00	333.5	\$440.00	\$146,740.00
Regina Costa	2015	137.00	\$300	D.15-08-016, ALJ-308	\$41,100.00	137	\$300.00	\$41,100.00
William Nusbaum	2015	102.00	\$465	D.15-08-023, ALJ-308	\$47,430.00	102	\$465.00	\$47,430.00

Susan Baldwin	2015	456.50	\$195	Pending approval- see A.14-04-013	\$89,017.50	456.5	\$195.00	\$89,017.50
Sarah Bosley	2015	311.50	\$145	Pending approval- see C.13-12-005	\$45,167.50	311.5	\$145.00	\$45,167.50
Helen Golding	2015	146.50	\$195	Pending approval- see C.13-12-005	\$28,567.50	146.5	\$195.00	\$28,567.50
David Brevitz	2015	375.50	\$150	Pending-current docket	\$56,325.00	375.5	\$150.00	\$56,325.00
Subtotal: \$454,347.50						Subtotal: \$454,347.50		
OTHER FEES								
Describe here what OTHER HOURLY FEES you are Claiming (paralegal, travel **, etc.):								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
Christine Mailloux	2015	13.5	\$220		\$2,970.00	0.00	\$0.00	\$0.00
Regina Costa	2015	37.75	\$150		\$5,662.50	37.75	\$150.00	\$5,662.50
Susan Baldwin	2015	16.5	\$98		\$1,617.00	16.6	\$97.50	\$1,608.75
Subtotal: \$10,249.50						Subtotal: \$7,271.25		

INTERVENOR COMPENSATION CLAIM PREPARATION**								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
Christine Mailloux	2015	22.75	\$220	Half hourly rate	\$5,005.00			\$5,005.00
Subtotal: \$5,005.00						Subtotal: \$5,005.00		

COSTS				
#	Item	Detail	Amount	Amount
	Photocopy	Copies made of TURN pleadings for service, and distribution to ALJ and Commissioners and hearing exhibits and testimony. Charged at \$0.10/per page	\$329.80	\$329.80
	Lexis	Computerized research costs associated with preparation of TURN's strategy and pleadings	\$445.85	\$445.85
	Phone Charges	Charges associated with TURN's work in this proceeding, including costs of conference calls	\$875.65	\$875.65
	Postage	Expense related to service and transmittal to Commission and overnight delivery charges	\$6.64	\$6.64

	Consultant Travel	Expenses related to TURN expert witness Baldwin to travel from Massachusetts to San Francisco to attend academic panel and workshop in Santa Clara	\$1,126.30	\$1,126.30
	Attorney Travel	Expenses for TURN advocates to attend multiple workshops and to attend PHC and Hearing	\$3,656.82	\$642.63 ^[C]
Subtotal: \$6,441.06				\$3,426.87
TOTAL REQUEST: \$ 476,043.06				TOTAL AWARD: \$470,050.60
<p>**We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Intervenor's records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.</p> <p>**Travel and Reasonable Claim preparation time typically compensated at ½ of preparer's normal hourly rate.</p>				

ATTORNEY INFORMATION			
Attorney	Date Admitted to CA BAR ¹	Member Number	Actions Affecting Eligibility (Yes/No?) If "Yes", attach explanation
Christine Mailloux	12/93	167918	No
William Nusbaum	6/83	108835	No

D. CPUC Disallowances and Adjustments:

Item	Reason
A	As stated in D.07-05-050, "[t]he Commission reimburses the reasonable costs of necessary travel. It does not reimburse the costs of an employee's commute to and from the Bay Area, which is TURN's place of business and the location of the Commission's main offices. Law firms and consulting firms do not bill their clients for such routine commuting costs. We will continue to reimburse travel costs associated with witnesses and advocates who have special expertise and live out of the area. We will also continue to reimburse the costs of travel to and from our hearings and

¹ This information may be obtained through the State Bar of California's website at <http://members.calbar.ca.gov/fal/MemberSearch/QuickSearch>.

	<p>workshops which are conducted outside of the Bay Area. However, we disallow all expenses for Mailloux's travel from her home in San Diego to San Francisco." D.07-05-050 at 13. <i>See also</i> D.09-05-015 at 12 (<i>stating</i> "[d]isallowance of [] travel time [for Mailloux].</p> <p>Additionally, the Commission does not compensate for mileage. Driving costs are reimbursed with documentation.</p>
B	<p>TURN requests a rate of \$195.00 per hour for work performed by Baldwin in 2015. Information provided by TURN shows that Baldwin has worked in telecommunications public policy for more than thirty-six years and has testified before 21 state public utility commissions. The Commission finds reasonable a rate of \$195.00 per hour for Baldwin in 2015.</p> <p>TURN requests a rate of \$145.00 per hour for work performed by Bosley in 2015. Information provided by TURN shows that Bosley has fourteen years of experience working in telecommunications and energy economics policy. The Commission finds reasonable a rate of \$145.00 per hour for Bosley in 2015.</p> <p>TURN requests a rate of \$195.00 per hour for work performed by Goldring in 2015. Information provided by TURN shows that Goldring has thirty-five years of experience working in utility regulation. The Commission finds reasonable a rate of \$195.00 per hour for Goldring in 2015.</p> <p>TURN requests a rate of \$150.00 per hour for work performed by Brevitz in 2015. Information provided by TURN shows that Brevitz has thirty years of experience in public utility regulation. The Commission finds reasonable a rate of \$145.00 per hour for Brevitz in 2015.</p>

PART IV: OPPOSITIONS AND COMMENTS

A. Opposition: Did any party oppose the Claim?	No
B. Comment Period: Was the 30-day comment period waived (<i>see</i> Rule 14.6(c)(6))?	Yes

FINDINGS OF FACT

1. TURN has made a substantial contribution to D. 15-12-005.
2. The requested hourly rates for TURN's representatives, as adjusted herein, are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.

3. The claimed costs and expenses, as adjusted herein, are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$470,050.60.

CONCLUSION OF LAW

1. The Claim, with any adjustment set forth above, satisfies all requirements of Pub. Util. Code §§ 1801-1812.

ORDER

1. The Utility Reform Network shall be awarded \$470,050.60.
2. Within 30 days of the effective date of this decision, Frontier Communications of America, Frontier Communications Corporation, Verizon Long Distance LLC, Newco West Holdings LLC, and Verizon California, Inc., shall pay The Utility Reform Network their respective shares of the award, based on their California-jurisdictional telecommunications revenues for the 2015 calendar year, to reflect the year in which the proceeding was primarily litigated. Payment of the award shall include compound interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning April 23, 2015, the 75th day after the filing of The Utility Reform Network's request, and continuing until full payment is made.
3. The comment period for today's decision is waived.

This decision is effective today.

Dated _____, 2016, at San Francisco, California.

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:		Modifies Decision?	
Contribution Decision(s):	D1512005		
Proceeding(s):	A1503005		
Author:	ALJ Bemesserfer		
Payer(s):	Frontier Communications of America, Frontier Communications Corporation, Verizon Long Distance LLC, Newco West Holdings LLC, and Verizon California, Inc		

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
The Utility Reform Network	February 08, 2016	\$476,043.00	\$470,050.60	N/A	Non-compensable Costs

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Christine	Mailloux	Attorney	The Utility Reform Network	\$440.00	2015	\$440.00
Regina	Costa	Expert	The Utility Reform Network	\$300.00	2015	\$300.00
William	Nusbaum	Attorney	The Utility Reform Network	\$465.00	2015	\$465.00
Susan	Baldwin	Expert	The Utility Reform Network	\$195.00	2015	\$195.00
Sarah	Bosley	Expert	The Utility Reform Network	\$145.00	2015	\$145.00
Helen	Golding	Expert	The Utility Reform Network	\$195.00	2015	\$195.00
David	Brevitz	Expert	The Utility Reform Network	\$150.00	2015	\$150.00

(END OF APPENDIX)